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Changes to Risk Categories for BH/I-DD Providers May Lead to Increased Access in Medicaid

The federal Centers for Medicare and Medicaid Services (CMS) requires that all Medicaid providers be classified into one of 3 risk categories in relationship to the potential for fraud – limited, moderate, or high – and gives states the flexibility to determine the most appropriate categories of risk for providers. It is important to note that the risk that the federal government is addressing in these requirements is specifically related to program integrity, i.e. the potential for Medicaid fraud, abuse and waste by a provider. Unlike other states, for many years, North Carolina has had a blanket policy that BH/I-DD providers of any type, with the exception of ICF/MR facilities, are in the high risk category. In this short legislative session, the NC General Assembly moved some BH/I-DD providers to lower risk categories.

S. 99, the Appropriations Act of 2018, includes a provision in Section 11h.12.(a) that re-categorizes any BH/I-DD providers with national accreditation [by an agency approved by the DHHS Secretary] and all licensed outpatient BH providers into the limited risk category. By taking this action, the legislature is recognizing the legitimacy of national accreditation and professional licenses and is likely increasing the choice and access to providers for Medicaid recipients. *Here's why:*

There are three federal requirements for limited risk category providers:

1. That the provider hold a current, appropriate and unrestricted license that meets State and federal requirements;
2. That the provider identification and ownership information can be found in certain national databases;
3. That the provider has not been excluded or debarred from a national list.

The moderate and high risk categories require those elements with the addition of the following:

1. Additional screening and an on-site visit;
2. Fingerprints for anyone with 5% or more ownership;
3. Routine monitoring for those not nationally accredited;
4. Post-payment reviews every two years.

For Licensed Independent Practitioners these cumulative requirements have been noted as very burdensome oversight for professionals who are already licensed under state law. In addition, licensed professionals have ethics codes which would include penalties for fraud and abuse. Sally Cameron, Executive Director of the NC Psychological Association and chair of the Professional Association Council (PAC), noted that the movement of LIPs to the low risk category has been a top priority for PAC member organizations. "This burden placed on licensed behavioral health professionals has been one of several reasons so many have left the Medicaid system. This is particularly concerning at a time when the services of these trained professionals are in great need across the state. We applaud the General Assembly for fixing this

important issue." In fact, the result of having LIPs in the high risk category for Medicaid BH services has been one of the reasons over 75% of LIPs have dropped Medicaid enrollment in the past five years.

As noted above, this legislative change has been in the making for a few years. In 2016, DHHS submitted a report to the General Assembly making several recommendations including the use of an assessment tool to determine the potential risk for a provider and the stratification of types of LIPs (single office, group offices and agencies).